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ORIG TO 'H' STAFF ASSISTANT

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ACTION MEMORANDON (# 3474MAR 20 P 10:57

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TO:

MAR 2002 Dep Sec The Deputy Secretary

PA PA/RB

S/ES-S FROM:

PA/RB DRL

OES RM

L H WHA

USAID IPS (HEW)

DRL - Lorne W. Cranery

SUBJECT: Allocation and Notification to Congress of FY

2001 Economic Support Funds (ESF) for Democracy

Programs in Venezuela

Issue For Decision

Whether to approve the allocation and notification to Congress of our intent to provide up to \$1,000,000 of FY 2001 ESF from Human Rights and Democracy Funds (HRDF) to strengthen political parties and other democratic institutions in Venezuela.

Once considered one of the strongest democracies in the hemisphere, Venezuela is now facing a period of political turmoil. Recently, there have been signs of movement away from democracy and toward increased authoritarianism in the country. DRL plans to provide up to \$1,000,000 to the National Endowment for Democracy to support programs that will protect and further the democratic processes and institutions in Venezuela. USAID has provided assistance to Venezuela through its regional programs; however, USAID does not have a bilateral program or an in-country presence in Venezuela, although an assessment team is currently on the ground. Further details and justifications for this project are included at Tab 1.

A total of \$13,421,000 of FY 2001 ESF/HRDF was allocated to DRL to promote democracy and human rights worldwide (of which \$10,212,000 was available when I arrived last summer). To date, \$6,888,000 in FY 2001 funding has been approved for use. Upon approval of this request, \$5,533,000 in FY 2001 ESF/HRDF will remain available for other projects. DRL has firm plans for the remaining FY 2001 ESF/HRDF and will be seeking your approval for them in the next fortnight. A list of FY

UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: OSCAR J OLSON DATE/CASE ID: 07 JUN 2007 200304421

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2001-funded previously allocated/notified and to be proposed programs is attached at Tab 2. In anticipation of spending most of FY 2002 ESF/HRDF on China and the Muslim world, I encouraged geographic diversity for FY 2001 ESF/HRDF. We will soon forward to you for approval our first FY 2002 ESF/HRDF programs. A list of these programs is also included at Tab 2.

Pursuant to section 634A of the Foreign Assistance Act of 1961, as amended, and section 515 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, (P.L. 106-429), the Department is required to provide a 15-day notification to Congress before obligating these funds. A draft congressional notification letter is attached at Tab 3 for your review.

Recommendation

That you approve the allocation and notification of \$1,000,000 of FY 2001 ESF/HRDF to strengthen political parties and other democratic institutions in Venezuela.

Approve ML 3/10	Disapprove
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Attachments:

Tab 1 - Additional Background.

Tab 2 - Proposed Projects for Remaining FY 2001 HRDF

Funds

Tab 3 - Draft Congressional Notification.

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